

Resolution No.: 18-56
Introduced: January 13, 2015
Adopted: February 10, 2015

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the Request of the County Executive

SUBJECT: Amendment to the to the FY15-20 Capital improvements Program and Supplemental Appropriation #10-S15-CMCG-4 to the FY15 Capital Budget Montgomery County Government Department of Economic Development Project No.788911: Ag Land Preservation Easements

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive, who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State, or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
3. The County Executive recommends the following capital project appropriation increases:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Ag Land Pres Easements	788911	Contributions	\$1,000,000	Contributions

4. This increase is needed because of an opportunity to preserve 279 acres. The recommended amendment is consistent with the criteria for amending the CIP because the preservation opportunity presents a significant easement purchase in an area critical to the preservation program. The property has over 200 acres of tillable cropland, of which 94% is considered as prime and productive soil highly suitable for agricultural production. The landowner is willing to accept a discounted easement value for the parcel at 57% of the fair market value, making this a resource saving opportunity for the County.
5. The County Executive recommends an amendment to the FY15-20 Capital Improvements Program and a supplemental appropriation in the amount of \$1,000,000 for Ag Land Pres Easements (No. 788911), and specifies that the source of funds will be Contributions.
6. Notice of public hearing was given and a public hearing was held.

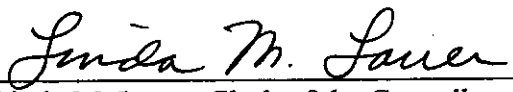
Action

The County Council for Montgomery County, Maryland, approves the following action:

A supplemental appropriation to the FY15-20 Capital Budget is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Ag Land Pres Easements	788911	Contributions	\$1,000,000	Contributions

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council

Ag Land Pres Easements (P788911)

Category Conservation of Natural Resources
 Sub Category Ag Land Preservation
 Administering Agency Economic Development (AAGE06)
 Planning Area Countywide

Date Last Modified 4/21/14
 Required Adequate Public Facility No
 Relocation Impact None
 Status Ongoing

	Total	Thru FY13	Est FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	3,034	509	629	1,896	316	316	316	316	316	316	0
Land	10,375	1,796	4,586	4,992	1,935	557	580	608	638	675	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	30	30	0	0	0	0	0	0	0	0	0
Total	14,439	2,335	5,215	6,888	2,251	873	896	924	954	991	0

FUNDING SCHEDULE (\$000s)											
Agricultural Transfer Tax	4,008	628	1,701	1,679	241	253	268	284	304	331	0
Contributions	1,586	51	51	2,484	1,070	10	10	444	500	510	0
Federal Aid	522	522	0	0	0	0	0	0	0	0	0
G.O. Bonds	2,000	1,118	882	0	0	0	0	0	0	0	0
Investment Income	815	16	0	799	0	283	470	46	0	0	0
M-NCPPC Contributions	3,050	0	2,150	900	150	150	150	150	150	150	0
State Aid	1,458	0	431	1,027	850	177	0	0	0	0	0
Total	14,439	2,335	5,215	6,888	2,251	873	896	924	954	991	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 15	-5,376
Appropriation Request Est.	FY 16	873
Supplemental Appropriation Request		1,000 -0
Transfer		0
Cumulative Appropriation		14,177
Expenditure / Encumbrances		3,698
Unencumbered Balance		10,479

Date First Appropriation	FY 89
First Cost Estimate	
Current Scope	FY 15
Last FY's Cost Estimate	21,961

14,439

Description

This project provides funds for the purchase of agricultural and conservation easements under the County Agricultural Land Preservation legislation, effective November 25, 2008, for local participation in Maryland's agricultural and conservation programs and through Executive Regulation 3-09 AM, adopted July 27, 2010. The County Agricultural Easement Program (AEP) enables the County to purchase preservation easements on farmland in the agricultural zones and in other zones approved by the County Council to preserve farmland not entirely protected by Transferable Development Rights (TDR) easements or State agricultural land preservation easements. The Maryland Agricultural Land Preservation Foundation (MALPF) enables the State to purchase preservation easements on farmland jointly by the County and State. The Rural Legacy Program (RLP) enables the State to purchase conservation easements to preserve large contiguous tracts of agricultural land. The sale of development rights easements are proffered voluntarily by the farmland owner. The project receives funding from the Agricultural Land Transfer Tax, which is levied when farmland is sold and removed from agricultural status. Montgomery County is a State-certified county under the provisions of State legislation, which enables the County to retain 75 percent of the taxes for local use. The County uses a portion of its share of the tax to provide matching funds for State easements. In FY10, the Building Lot Termination (BLT) program was initiated. This program represents an enhanced farmland preservation program tool to further protect land where development rights have been retained in the Rural Density Transfer Zone (RDT). This program utilizes a variety of revenue sources that include: Agricultural Transfer Tax revenues, MNCPPC Contributions, Developer Contributions, and G.O. Bonds to purchase the development rights and the corresponding TDRs retained on these properties. The Department of Economic Development is developing a strategic plan for Phase II of the preservation program and preservation opportunities will be considered as they become available.

Cost Change

Programming of \$150,000 of MNCPPC/Developer Contributions for BLT Program Administration (FY14-20) to offset BLT administrative charges to investment income. Programming of Private Contributions for FY18-FY20 to replace depleted investment income for Planning, Design and Supervision project expenses and the addition of FY19 and FY20 project costs. The budget also reflects revised estimates for Agricultural Transfer Tax revenue and reflects a new State Rural Legacy Program grant for land acquisition.

Justification

Annotated Code of Maryland 2-501 to 2-515, Maryland Agricultural Land Preservation Foundation; Annotated Code of Maryland 13-301 to 13-308, Agricultural Land Transfer Tax; and Montgomery County Code, Chapter 2B, Agricultural Land Preservation, and Executive Regulation 3-09 AM.

Other

Added Accelerated funds to purchase easements critical to the preservation program. Remaining Crown Farm payments are now reflected in FY19 + FY20.

Ag Land Pres Easements (P788911)

FY15 estimated Planning, Design and Supervision expenditures are \$316,000: 1.0 FTE Sr. Business Development Specialist; 1.5 FTE Principal Administrative Aides; \$20,000 - Deer Donation Program; \$10,000 - Montgomery Weed Control Program; and \$50,000 for the Cooperative Extension Partnership. Appropriations are based upon a projection of Montgomery County's portion of the total amount of Agricultural Transfer Tax which has become available since the last appropriation and State Rural Legacy Program grant funding. Appropriations to this project represent a commitment of Agricultural Land Transfer Tax funds and State Aid to purchase agricultural easements. The Agricultural Transfer Taxes are deposited into an investment income fund, the interest from which is used to fund direct administrative expenses, the purchase of easements, and other agricultural initiatives carried out by the Agricultural Services Division. The program permits the County to take title to the TDRs. These TDRs are an asset that the County may sell in the future, generating revenues for the Agricultural Land Preservation Fund. The County can use unexpended appropriations for this project to pay its share (40 percent) of the cost of easements purchased by the State. Since FY99, the County has received State RLP grant funds to purchase easements for the State through the County. The State allows County reimbursement of three percent for direct administrative costs such as appraisals, title searches, surveys, and legal fees. Given changes to the Federal Program, new Federal Aid funds are no longer programmed in this project.

Fiscal Note

Expenditures do not reflect additional authorized payments made from the Agricultural Land Preservation Fund balance to increase financial incentives for landowners. Terms and conditions regarding contributions from the Montgomery Soil Conservation District (MSCD) will be specified within the Memorandum of Understanding (MOU) between the County and MSCD.

The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

Coordination

State of Maryland Agricultural Land Preservation Foundation, State of Maryland Department of Natural Resources, Maryland-National Capital Park and Planning Commission, Landowners